



بنك البحرين للتنمية شركة مساهمة
BAHRAIN DEVELOPMENT BANK B.S.C (c)

Liquidity Disclosures - Basel III

September 2021

Consolidated Liquidity Coverage Ratio – September 2021

In August 2018, the Central Bank of Bahrain (CBB) issued its regulations on Liquidity Risk Management (LM). Amongst other things, the LM regulations mandate banks to implement Liquidity Coverage Ratio (LCR) by end of June 2019. The main objective of the LCR is to promote short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient level of high-quality liquid assets (HQLAs) to honour net cash outflows and survive a significant stress scenario lasting for a period of up to 30 days. As per CBB LM regulations, banks must meet the minimum LCR of not less than 100 percent daily.

The below table provides information on BDB's Consolidated LCR for the quarter ended 30th September 2021.

(In BD 000')

Consolidated LCR		Total Unweighted Value (average)	Weights	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS				
1	Total HQLA			46,749
CASH OUTFLOWS				
2	Retails Deposits and deposits from small business customers, of which:			
3	Stable Deposits			
4	Less Stable Deposits	783	10%	78
5	Unsecured wholesale funding, of which:			
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks			
7	Non-operational deposits (all counterparties)	12,703	100%	12,703
8	Unsecured Debt			
9	Secured wholesale funding			
10	Additional requirements, of which:			
11	Outflows related to derivative exposures and other collateral requirements			
12	Outflows related to loss of funding on debt products			
13	Credit and liquidity facilities			
14	Other contractual funding obligations	2,390	100%	2,390
15	Other contingent funding obligations	1,591	5%	80
16	Total Cash Outflows	17,466		15,250
CASH INFLOWS				
17	Secured lending (eg reverse repos)			
18	Inflows from fully performing exposures	2,355	50%	1,178
19	Other cash inflows	12,964	100%	12,964
20	Total Cash Inflows	15,319		11,438
				Total Adjusted Value
21	TOTAL HQLA			46,749
22	TOTAL NET CASH OUTFLOWS			3,813
23	LIQUIDITY COVERAGE RATIO (%)			1226%

As per the CBB LM module, the consolidated LCR of 1226% reported above in line 23 is the simple average of daily LCR during Q3 2021.

Net Stable Funding Ratio – September 2021

The CBB's Net Stable Funding Ratio (NSFR) regulations became effective on 31st December 2019. The objective of the NSFR is to promote the resilience of banks' liquidity risk profile and to incentivise a more resilient banking sector over a longer time horizon. The NSFR requires banks to maintain a stable funding profile in relation to assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood of disruptions to a bank's regular sources of funding that will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits over-reliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability. The NSFR must be equal to at least 100% on an ongoing basis.

The below table provides information on BDB's Consolidated NSFR as of 30th September 2021:

(In BD 000')

No.	Item	Unweighted Values (before applying factors)				Total Weighted Value
		No Specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
Available Stable Funding (ASF)						
1	Capital:					
2	Regulatory Capital	71,817	-	-	1,222	73,039
3	Other Capital Instruments	-	-	-	-	-
4	Retail Deposits and deposits from small business customers:					
5	Stable Deposits:	-	-	-	-	-
6	Less stable deposits:	-	-	-	-	-
7	Wholesale funding:					
8	Operational Deposits	-	-	-	-	-
9	Other Wholesale Funding	-	19,387	4,105	137,595	149,341
10	Other liabilities:					
11	NSFR Derivative Liabilities	-	-	-	-	-
12	All other liabilities not included in the above categories	-	4,801	-	-	-
13	Total ASF					222,380
Required Stable Funding (RSF)						
14	Total NSFR high-quality liquid assets (HQLA)					2,323
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	10,748	-	-	1,612
19	Performing Loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	10,697	3,160	-	6,929
20	-With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio guidelines	-	-	-	122,445	104,078
21	Performing residential mortgages, of which					
22	-With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio guidelines					
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities					
24	Other Assets:					
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Derivative Assets	-	-	-	-	-
28	NSFR Derivative Liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	38,663	-	-	-	38,663
30	OBS Items	-	40,146	-	-	2,007
31	Total RSF					155,612
32	NSFR %					143%